

Chair Senator Tom Courtney
Chair Senator Ron Wieck
Chair Representative Dwayne Alons
Representative Joe Hutter, VC
Representative Vicki Lensing, RM
Senator Michael Connolly
Senator Ron Wieck
Representative Clel Baudler
Representative George Eichhorn
Representative Jamie Van Fossen
Representative Roger Thomas



Representative Wes Whitead
Representative Cindy Winckler

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MEMORANDUM

To: Members of the Legislative Council
From: Co-Chairpersons Senator Ron Wieck, Senator Thomas Courtney, and Representative Dwayne Alons *Da* *RW*
Date: January 17, 2006
Re: Departments and programs reviewed by the Government Oversight Committee during the 2006 Legislative Interim and topics selected for review during the 2007 Legislative Session

As required in 2002 Iowa Acts, Chapter 1162 (SF 2325 - FY 2002 Oversight Government Reform Act), the Government Oversight Committee is reporting to the Legislative Council regarding the activities during the 2006 Legislative Interim and the areas selected for review during the 2007 Legislative Session by the Government Oversight Committee.

The Committee meetings for the 2007 Interim were as follows:

- May 8, 9, 15, 16, 22, 23 (CIETC Related)
- June 19, 20, 26, 27 (CIETC Related)
- July 18, 19 (CIETC Related)
- August 21, 22 (CIETC Related)
- September 18, 19
- October 30, 31 (House Oversight Committee)
- December 13, 14
- December 14 (House Oversight Meeting)

The Government Oversight Committee requests that the Legislative Council require that any legislatively required reports not otherwise specified to be received by a designated agency or entity be submitted to the Government Oversight Committee.

The following information is also included with this report:

1. **Attachment 1** is a listing of topics discussed during the 2006 Legislative Interim Government Oversight meetings. Specific information regarding the agendas, minutes, and handouts from those meetings can be found at:
<http://www3.legis.state.ia.us/ga/committee.do?id=41>.

Testimony from the Interim Committee meetings on CIETC related discussions have been electronically recorded and are available on the web site at:
[http://www4.legis.state.ia.us/lfb/SubCom/related links/Oversight_Recordings.html](http://www4.legis.state.ia.us/lfb/SubCom/related_links/Oversight_Recordings.html)

2. **Attachment 2** is a listing of possible topics for review during the 2007 Legislative Session. The list includes continued and new items and updates on topics from the 2006 Interim and 2006 Legislative Session. The Regular Updates section includes status reports from the Department of Administrative Services, the Lottery Authority, Government Reinvention activities, Help America Vote Act, and Homeland Security. These updates will include monthly, quarterly, and semi-annual status reports to the Government Oversight Committee by State agencies, project teams, and elected officials.
3. **Attachment 3** is a list of required reports received or to be received by the Government Oversight Committee from the 2006 Legislative Session and the latest status as of December 2005.

If you have any questions, please contact LSA staff, Douglas Wulf (515-281-3250), Sam Leto (515-281-6764), or Richard Nelson (515-242-5822).

Government Oversight Committee Topics Discussed, Interim 2006

The 2006 General Assembly approved companion resolutions (SR 170 and HR 176) providing the Government Oversight Committee with the authority to investigate use of public funds, personnel, operations, and oversight of the Central Iowa Employment and Training Consortium (CIETC), and the oversight provided by the Iowa Department of Work Force Development (IWD). The Committee held several meetings during the interim to receive testimony from staffs at CIETC, IWD, State Auditor, Department of Human Services (DHS), CIETC Board Members, and independent experts. The recorded testimony from these Committee meetings is available on the web site: http://www4.legis.state.ia.us/lfb/SubCom/related_links/Oversight_Recordings.html

Committee Meeting Dates

May 8, 9, 15, 16, 22, 23

The Committee heard testimony from the following witnesses:

- John Bargman, CFO, CIETC
- Karen Tesdell, Accountant, CIETC
- Tom Vlassis and John Mauro, CIETC Board
- Dave Neil, Interim Director, IWD
- Doug Williams, DMACC
- Dan Albritton, CIETC Board
- Sherry Howard, CIETC Board Secretary/Treasurer
- J. Karnale Manuel, Chairperson, Regional Workforce Investment Board
- Alan Kincheloe, CPA, Independent Auditor for CIETC

June 19, 20, 26, 27

The Committee heard testimony from the following witnesses:

- Deb Dessert Bargman, Independent Contractor for the new accounting system
- Ako Abdul-Samad, CIETC Board
- Jack Cline, Acting CEO, CIETC
- Tammy Higar, Payroll Clerk, CIETC
- Diane Bolden, Executive Sec., CIETC
- Charlie Smithson, Executive Director, Ethics & Campaign Disclosure Board

July 18, 19

The Committee heard testimony from the following witnesses:

- David Vaudt, State Auditor
- Bill Boyd, Attorney, Nyemaster Law Firm
- Grant Dugdale, Assistant Attorney General
- Alan Kincheloe, CPA, Independent Auditor for CIETC
- Sherry Howard, CIETC Board Secretary/Treasurer

LSA: Attach. 1 List of Topics Discussed 2006 Interim .doc

- Mary Gottschalk, Interim CFO, CIETC

August 21, 22

The Committee heard testimony from the following witnesses:

- Carlton Salmons Attorney for CIETC
- Mark Wackerbarth, CPA, Denman & Co.
- Mary Gottschalk, Interim CFO, CIETC

The Committee conducted other business and heard testimony regarding the following topics:

September 18, 19

The Committee received an update from the Department of Administrative Services (DAS) regarding the Integrated Information for Iowa (I/3) System. The Committee received the current status of the major components of the System and the future goals by users in the Executive and Legislative Branches.

The Committee received information regarding the Iowa Values Fund. Deputy Director Tina Hoffman, Department of Economic Development, provided an overview. Toby Shine, Chairperson, Due Diligence Committee and private business owner, provided the Committee with his insight of the Iowa Values Fund.

The Committee discussed proposed payments to individuals using surplus funding from the 2005 National Governor's Association. Cynthia Eisenhower, Governor's Office, provided background concerning the proposal and responded to questions. The proposed bonuses were not provided, and the surplus funding was distributed between the General Fund and the State Fair Blue Ribbon Committee.

October 30 31

The House Government Oversight Committee met on October 30, 31 and received testimony from:

Marilyn Lantz, Chief Juvenile Court Officer for the Fifth Judicial District, and Mary Nelson and Jim Krogman, Department of Human Services (DHS), addressed the Committee regarding procedures and issues relating to the transfer of juveniles from county detention centers to the State Training Schools (STS) at Eldora and Toledo. Admission criteria to the STS was summarized, with the notation that the criteria were established several years ago in an effort to ensure that the STS received and served youth with relatively serious criminal backgrounds or who had previously been unsuccessfully placed in other treatment programs.

Beverly Clark, Ylonda Shook, and Dorothy Polk appeared before the Committee to relate allegations of discriminatory employment practices employed by the Iowa Department of Workforce Development (IWD). A customer service test was required when applying for an opening at IWD, and that test was found to be racially biased. Additional discussion included the extent to which the test was administered in other Departments, whether it continues to be utilized, whether State employment practices should be reexamined regarding agency discretion, the demographic make-up of IWD personnel, and job security issues relating to the allegations of discrimination.

LSA: Attach. 1 List of Topics Discussed 2006 Interim .doc

The Central Point Coordinators (CPC), county representatives, and DHS personnel discussed concerns and issues relating to the transfer of State Payment Program mental health cases to counties of residence effective October 1, 2006 pursuant to legislation passed during the 2006 Legislative Session. Patty Erickson-Puttmann, CPC, Woodbury County, summarized CPC responsibilities, and identified as major concerns a reduction in current expenditures by ten percent and the elimination of reimbursement for payment of medications after a ninety-day period. Committee discussion included concerns of curtailing services because of lack of funding, and how curtailment would be instituted, notification procedures, and the prospects of a required departmental report by December 1, 2006 to adequately address the issue. Jim Overland, DHS, maintained that the county estimates were based on historical cost figures, cited the State's Indigent Drug Program as a significant savings opportunity, and emphasized that the Department's intent is to proceed in partnership with counties and not leave them adversely impacted financially.

John Benson and David Miller from the Department of Public Defense/Homeland Security and Emergency Management Division updated the Committee regarding implementation of the wireless E911 Phase II deployment. Mr. Benson distributed a map indicating that Phase II services facilitating the capacity to pinpoint caller location have currently been deployed in 93 counties, and that the service will be operational across the entire State by January 1, 2007. He reviewed a revenue and expenditures chart for the third quarter of 2006, discussed the upcoming establishment of links with Wisconsin and Illinois, and identified the upgrading from analog to data circuitry as a possible usage for carryover funds. Committee discussion included the merits of allocating funding for public education of the existence of Phase II capability vs. better training of dispatchers, with a lack of consistent dispatcher response identified as a problem. Mr. Miller also discussed the importance of achieving communications interoperability between command centers through interconnecting technology.

December 13, 14

The Committee received an update from the Department of Corrections (DOC) regarding the cost savings initiatives at its institutions. John Baldwin provided a response to questions raised regarding waste at DOC institutions. He stated the DOC was also establishing other initiatives in various areas that will produce efficiencies to allow the DOC to stay on budget with record high offender populations.

The Committee received a semi-annual update from the Iowa Lottery regarding revenues and prize awards during FY 2006. Ed Stanek discussed the new Lottery games offered, the status of Touch Play lawsuits, and budgets for FY 2007 and FY 2008.

The Committee received testimony regarding recent newspaper articles that indicated a split among county treasurers. Mary Maloney, Polk County Treasurer, and Lana Taylor, Poweshiek County Treasurer, explained concerns regarding the statewide web site, the fund maintained to receive fees for the public using the web site to pay for property taxes and various licenses, the costs associated with the web site, and the interest earned on the fund. Representatives from the Iowa State County Treasurers Association (ISCTA) explained the position of ISCTA and its 90 members. The Committee received testimony from gambling treatment providers regarding ongoing issues with the

Department of Public Health (DPH) and its contracting process for FY 2007 service contracts. Delays in contracts, costs incurred to reapply for contracts, lack of communication, and changes in expectations were highlighted as additional burdens placed on certain providers. Representatives of the Iowa Council on Problem Gambling, who are also providers, told the Committee that not all Council Members had encountered the same problems and many were satisfied with the DPH methodology.

The Department of Administrative Services explained a new strategy being researched that would use a management firm to establish a network of information technology (IT) providers to assist Executive Branch agencies in meeting technology needs at a lower cost than currently provided. The DAS stated that current law would allow them to contract with the management firm without an Iowa Request for Proposal (RFP) by using other states' experience and the fact that Pennsylvania had done a competitive RFP as the rationale for the contract. Iowa IT providers expressed concerns regarding the assumptions being used by the DAS and questioned the cost savings proposed. The Committee requested more information before any final actions are taken on the contract.

After adjournment of the Joint Committee, a House Committee meeting was held. The Committee heard from David Neil, Interim Director, Workforce Development (IWD), regarding work relationships between IWD and Iowa Central Community College of Fort Dodge. The Committee asked questions regarding closing the office in Webster City and not utilizing office space provided on the Fort Dodge campus. Mr. Neil stated that IWD is working on this and will improve communications with the college.

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Government Oversight Committee
List of Possible Topics for Future Meeting Agendas
Updated December 27, 2006

- Review with the Auditor of State the Report on "Fund of Funds". A review of the Iowa Values Fund and other items now under way.
- Review with the Board of Regents changes in administration at the University of Iowa.
- Continue review of CIETC Issues.
- Review with the Racing Association of Central Iowa (RACI) regarding RACI Board members that left Central Iowa Employment and Training Consortium (CIETC) Board.
- Continue review with the Board of Regents regarding supervision of the Iowa Braille and Sight Saving School.
- Review the State contract for an anti-drug program with Rock In Prevention.
- Continue to study the development of the Department of Administrative Services (DAS) as a competitive option for State services and the methods used to bill for the services DAS provides to State departments.
- Continue monitoring automated financial and human resource services provided by the Integrated Information for Iowa (I/3) Project.
- Continue updates from counties regarding the transfer of juveniles to State Training Schools.
- Continue to monitor the transfer of case management for the mentally ill from DHS to counties and costs associated with the transfers
- Continue to receive testimony regarding to job discrimination by State agencies and make recommendations for administrative and legislative changes.
- Wellmark – discuss insurance coverage for Psychiatric Medical Institutions for Children (PMICS)
- Lobbying by Government Agencies - Committee discussion with CEO, Ethics and Campaign Disclosure Board.

- Continue discussion regarding the current conflicts between members of the Iowa State County Treasurer's Association and Polk County regarding fund ownership and distribution of interest earned to other counties from electronic payments of licenses and fees.
- Bonus payments to Excel management.
- Discussion of bonus payments to highly paid employees of non-profit organizations receiving government funding.
- Discussion with the Waste Water Division at the Department of Natural Resources regarding allegations about failure to enforce violations.
- Continue review and discussion with the Department of Public Health regarding the Gamblers Treatment Program concerning service contract issues presented by some providers.

Other – Regular Updates during the 2007 Legislative Session and Interim

- ❖ Government Reinvention/ Public Strategies Group (PSG) – DOM & PSG to provide final report.
- ❖ Charter Agencies – DOM and Charter Agencies to provide update.
- ❖ Grants Enterprise Management System (GEMS) – DOM provides update.
- ❖ Department of Administrative Services (DAS) – DAS provides update.
- ❖ Integrated Information for Iowa (I/3) Project – DAS to provide materials.
- ❖ Help America Vote Act (HAVA) – Secretary of State provides update.
- ❖ Homeland Security/E911 – LSA provides quarterly update on funding and expenditures.
- ❖ Lottery – The Lottery provides semi-annual updates and annual budget.
- ❖ Board of Regents – Provide monthly updates regarding status of the Iowa Braille and Sight Saving School and efforts to provide necessary services to Iowans.

2006 Session Required Reports to The Government Oversight Committee

Attachment 3

Bill and Section Numbers	Requirement	Required of Whom	Submitted to Whom	Due date(s)	Vetoed	Status
HF 2527 - FY 2007 Education Appropriations Act						
HF 2527, Section 11	Requires the Board of Regents, the Department of Management, and the Legislative Services Agency to agree on the FY 2008 Tuition Replacement appropriation by November 15, 2006.	Board of Regents	No specified recipient, but the Regents provide this information to DOM and LSA.	11/15/2006		The Regents have complied with this language.
HF 2527, Section 11	Requires the Board of Regents to submit monthly financial report.	Board of Regents	No specified recipient, but the reports are provided to DOM and LSA.	monthly - no specific date		The Regents have complied with this language.
HF 2527, Section 11	Requires the Board of Regents to report monthly to the Government Oversight Committee regarding plans related to the Iowa Braille and Sight Saving School.	Board of Regents	Government Oversight Committee	monthly during 2006 Interim		The Regents have complied with this language.
HF 2567 - Foster Care Act						
HF 2567 - Section 8	Requires an evaluation of the multi-dimensional foster care pilot project.	Un-named organization independent of the DHS and those participating in the pilot project.	Does not specify.	Does not specify.		Two contractors, Orchard Place and Tanager Place, were selected through a RFP process during the fall of 2006. The contracts were signed and effective on January 2, 2007. An evaluation of the projects should be available in January 2008.
HF 2782 - FY 2007 Infrastructure Appropriations Act Sec. 1.2b					No vetoes	Signed by Governor, May 31, 2006
	Appropriates \$500,000 to for a study to determine the need for additional prison space.	Corrections	Not specified	Not specified		The Department of Corrections (DOC) selected the Durrant Group through an RFP process. A preliminary report will be provided to the Board of Corrections at its January 11, 2007 meeting.

2006 Session Required Reports to The Government Oversight Committee

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Bill and Section Numbers	Requirement	Required of Whom	Submitted to Whom	Due date(s)	Vetoed	Status
HF 2782 - FY 2007 Infrastructure Appropriations Act (con't)						
Sec. 7.1b and Sec. 8	Section 7.1b allocates \$150,000 for FY 2007 to fund a Corp of Engineers study of flood prevention improvements to the levee in the Time Check Neighborhood in Cedar Rapids. Section 8 appropriates an additional \$150,000 for the study.	Funds are allocated to the Dept. of Ag and Land Stewardship to have the Corp of Engineers conduct the study.	Not specified	Not specified		No action has been taken.
Sec. 37	Requires the Department of Administrative Services to submit a business plan related to the construction of a new State office building.	Dept. of Administrative Services	Not specified, but submitted to Fiscal Committee	As necessary and prior to the construction of a new State office building.		Submitted to Fiscal Committee. Presented to that committee Monday January 8.